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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

6711

August 14, 2015

Nicolas Lott  
American Gilsonite Corporation  
29950 South Bonanza Highway  
Bonanza, Utah 84008

Subject: Initial Review of Modified Notice of Intention to Commence Large Mining Operations,  
American Gilsonite Corporation, Bonanza Mine, M/047/0010, Uintah County, Utah

Dear Mr. Lott:

The Division has completed a review of the referenced Notice of Intention to Commence Large Mining Operations (NOI) which was received July 2, 2015. The attached comments will need to be addressed before tentative approval may be granted.

The comments are listed under the applicable Minerals Rule heading; please format your response in a similar fashion. Please address only those items requested in the attached technical review by sending replacement pages using redline and strikeout text. After the notice is determined technically complete, the Division will ask that you submit two clean copies of the complete and corrected plan. Upon final approval, both copies will be stamped approved, and one will be returned for your records.

Please submit your response to this review by October 13, 2015.

The Division will suspend further review of the NOI until receiving your response to this letter. If you have any questions in this regard please contact me at 801-538-5261 or any members of the review team: April Abate (aa, lead and hydrology), at 801-538-5214; Lynn Kunzler (lk, biology) 801-538-5310; or Wayne Western (whw, engineering and bonding), 801-538-5263. Thank you for your cooperation in completing this permitting action.

Sincerely,

Paul B. Baker  
Minerals Program Manager

PBB: aa: eb

Attachment: Review

cc: Vaughn Hughes, vhughes@blm.gov BLM  
Stan Perks, Stan\_Perkes@BLM.gov BLM  
Jerry Mansfield, SITLA jmansfield@utah.gov

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**INITIAL REVIEW OF NOTICE OF INTENTION  
TO COMMENCE LARGE MINING OPERATIONS**

**American Gilsonite Corporation  
Bonanza Mine**

**M/047/0010  
August 13, 2015**

**General Comments:**

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
1	General	The Notice should be formatted to easily incorporate additional revisions and amendments.		
2	General	The Division may have additional comments based on the responses to this review. Please attempt to provide a complete, technically adequate submittal.		

**R647-4-105 - Maps, Drawings & Photographs**

**General Map Comments**

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
3	All	Please remove the "confidential" label on the maps. Maps in a large mine permit application cannot be considered confidential unless they reveal the location or nature of the mineral deposit more specifically than is known through publicly available information.	aa	

**105.2 - Surface facilities map**

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
4	Property Map	Please label this map as Figure 1 Surface Facilities Map. All subsequent quad maps that were provided should be labeled as Figure 2, Figure 3 etc.	aa	
5	Property Map	Please indicate how storm water is managed in these areas by showing the locations of diversions, ditches, berms, culverts and how it flows (presumably) to the retention basin adjacent to the highway.	aa	
6	Property Map/Table I	All features listed in Table I should easily correspond to the features shown on the property map. The acreage amounts for each feature listed in Table I should be clearly delineated around each area on the Property Map. For example, the Bonanza Process Facility is listed as 45 acres on Table I. The 45 acres should be clearly illustrated around the processing facility on the map.	aa	



Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
7	Property Map	Some of the features listed on Table I were not found on the Property Map, including the float plant and storage area; the solar pad; water line and cistern; and the White River well and pump. If these features happen to be located on the quad maps, please show their locations on the quad maps.	aa	
8	Property Map	Are the "waste water ponds" listed in Table I the same as the "abandoned ponds" shown on this map?	aa	
9	Property Map	How much acreage does the bone yard cover? Is it considered part of the processing facility?	aa	
10	Walsh Knolls Quad	Please label the Gilsonite vein shown on this map.	aa	
11	Table I	Instead of the latitude/longitude coordinates for each feature, please refer to the map on which the feature is located; it will be easier to locate in this manner.	aa	

#### **R647-4-106 - Operation Plan**

##### **106.3 - Estimated acreages disturbed, reclaimed, annually**

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
12	106.3 Table I	In the table, please include a summary at the bottom of the total for total acres. Also include a column for areas that have been given full and partial bond release and approximant dates when bond release was granted.	whw	
13	Attachment "A"	Please include the approximate dates when partial bond release was granted and when full bond release was granted. Terms like "reclaimed" and "revegetated" do not apply to the current disturbance if the areas have had formal bond release.	whw	

##### **106.4 - Nature of materials mined, waste and estimated tonnages**

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
14	106.4	If possible show areas that are pre-law on maps so there is no confusion about what areas the Operator is responsible for reclaiming.	whw	

##### **106.5 - Existing soil types, location, amount**

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action



Initial Review  
Page 4 of 6  
M/047/0010  
August 13, 2015

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
15	Page 11	Please provide a table or other format that clearly shows the amount of soil that has been, or will be salvaged from each location. Include the average depth of soil that will be, or has been salvaged as well as the volume (in cubic yards). Correlate each location with a soils map that identifies the soil taxon and a description of the soil type. Provide a lab analysis of each soil type that that has been or will be disturbed that includes texture, pH, percent organic matter, electrical conductivity, sodium adsorption ratio, cation exchange capacity, total nitrogen, nitrate nitrogen, phosphorus (as P <sub>2</sub> O <sub>5</sub> ), and potassium (as K <sub>2</sub> O). After reviewing the soil data, the Division can make recommendations as to the types and rates of fertilizers and amendments that may be needed (if any) for successful revegetation.	lk	

#### **106.6 - Plan for protecting & re-depositing soils**

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
16	Page 11	It is recommended that topsoil stockpiles have slopes no steeper than 3H: 1V. Please provide a map showing the location and volume of each topsoil stockpile.	lk and aa	

#### **106.7 - Existing vegetation - species and amount**

Comment #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
17	Page 12	Please provide the results of the vegetation studies. Correlate each disturbance area with the vegetation type(s) that existed or exists at the site.	lk	

#### **106.9 - Location & size of ore, waste, tailings, ponds**

Comment #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
18	Omission	Please address this section of the rules.	aa	

#### **106.10 - Amounts of material moved (including ore, waste, topsoil, etc.)**

Comment #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
19	Omission	This section was not addressed.	aa	

#### **R647-4-108 - Hole Plugging Requirements**

Comment #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
20	R647-4- 108.2	Please give the criteria that will be used to determine if there are significant amounts of water and the maximum amount of time that a well will be temporarily plugged.	whw	

#### **R647-4-109 - Impact Assessment**



### 109.1 - Impacts to surface & groundwater systems

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
21	Page. 15	The discussion about surface water needs to be expanded to include how runoff is managed at the individual mine sites and any other areas where there is disturbance.	aa	
22	Omission	Please include a current copy of the AGC NPDES Groundwater Discharge permit as an appendix to the NOI. The Division likes to be aware of the NPDES permit limits and the sampling requirements. Occasionally, during inspection the Division will request to see sampling data during an inspection.	aa	
23	Page 16	Discharge locations were listed on Table V. Discharge locations should also be shown on a map. Please include a map showing these locations, or update the existing maps.	aa	

### 109.2 - Impacts to threatened & endangered wildlife/habitat

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
24	Pages 16-18	Do any of the species listed occur within the permit area? Or are any areas of the permit listed as critical habitat for these species? (Note: If listed threatened or endangered species occur on the site, location information needs to be kept confidential.)	lk	

### 109.3 - Impacts on existing soils resources

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
25	Page 18	Please provide the total volume of soil that has been, or will be impacted by the operation	lk	

### 109.5 - Actions to mitigate any impacts

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
26		Please state what action will be taken if any mine works collapse and there is an opening at the surface.	whw	

### R647-4-110 - Reclamation Plan

### 110.5 - Revegetation planting program

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action



Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
27	Page 22, second paragraph after the table	If, for reclamation, as stated in the next paragraph, the areas are ripped on the contour, there is no need for contour trenches. Ideally, the process for topsoil replacement, seed bed preparation and seeding would occur in this sequence: regrade the site to the appropriate slopes, replace topsoil, add any amendments or fertilizer (if required), rip on the contour (minimum 18 inches depth and maximum two-foot spacing between ripper shanks), broadcast seed as soon as possible after ripping. Timing of the activities should be planned so that the ripping occurs mid to late October. Unless there is a high probability of erosion, mulch should not normally be needed; the surface roughness should be adequate to prevent erosion.	lk	
28	Page 23	The proposed seed mix is heavy on grasses, which may reduce shrub and forb establishment. Also, one seed mix may not be appropriate for seeding all areas when there are three quite different vegetation types. The Division can make recommendations for appropriate seed mixes once the vegetation and soil data is submitted and reviewed.	lk	

**R647-4-113 – Surety**

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
29		In a letter dated June 29, 2015, the BLM stated that the bond for BLM land is \$120,000.00 + \$313,000.00 = \$433,000.00. The BLM also stated that the bond must be increased to \$673,000.00 which can be made in yearly installments of \$135,000.00. Please include reference to the BLM bond and payment plan in the NOI.	whw	
30		On the non-BLM lands many of the satellite areas were bonded based on figures derived by the Division in 2012. Those costs have been revised to 2015 costs and escalated to 2020. Please include a copy of the Division's bond calculations in the surety section.	whw	
31		Please provide detailed cost estimates for all reclamation work on sites not included in the BLM estimate. The Division will assist in determining the bond amount.	whw	